

FOREIGN ASSETS CONTROL

The Foreign Assets Control Regulations administered by the Treasury Department, prohibit all United States dollar account transactions, direct or indirect, with Communist China and North Korea, regardless whether or not strategic trade is involved. Where the United States dollar facilities of foreign banks are utilized in connection with transactions with Communist China, the Treasury Department can take appropriate blocking measures against the dollar accounts of such banks.

In addition, the Treasury administers the transaction control regulations which prohibit persons in the United States from engaging in transactions involving the shipment of strategic materials located outside the United States to the iron curtain.

Both regulations contain criminal provisions. Criminal prosecutions to date for violations of the Foreign Assets Control Regulations have resulted in a number of convictions with substantial ^efinds and one with a prison sentence. There have been no criminal prosecutions for violation of the transaction dollar control regulations.

TREA Declass/Release Instructions On File